



State of Wisconsin  
2017 - 2018 LEGISLATURE

LRBs0191/2  
MPG/JK/ARG:all

**SENATE SUBSTITUTE AMENDMENT 1,  
TO SENATE BILL 525**

December 11, 2017 - Offered by Senator DARLING.

1     **AN ACT** *to amend* 20.536 (1) (k), 179.85, 180.1504 (2), 238.02 (4) and 238.04 (7);  
2             and *to create* 19.42 (10) (t), 19.42 (13) (q), 20.192 (1) (t), 20.192 (1) (y), 25.14  
3             (1) (a) 20., 25.17 (1) (hq), 25.17 (73), 25.90, 73.17, 178.0901 (3) (e), 178.1003 (6),  
4             179.11 (1) (e), 179.82 (9), 180.0202 (1) (j), 180.1503 (1) (k), 181.0202 (1) (h),  
5             181.1503 (1) (i), 182.01 (7), 183.0202 (7), 183.1004 (8), 185.05 (1) (n), 193.215  
6             (2) (a) 5. and subchapter III of chapter 238 [precedes 238.40] of the statutes;  
7             **relating to:** creating the innovation fund and economic development programs  
8             funded by that fund, establishing the Innovation Fund Council, authorizing the  
9             State of Wisconsin Investment Board to provide certain advice and services to  
10            the Wisconsin Economic Development Corporation, requiring certain

1 information to be included in business formation filings, and making  
2 appropriations.

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### ***Analysis by the Legislative Reference Bureau***

#### ***Innovation fund***

This substitute amendment creates a nonlapsible fund to be known as the “innovation fund” (fund). From the interest and income of the fund, the Wisconsin Economic Development Corporation may provide financial assistance in various contexts, as set forth below. The State of Wisconsin Investment Board manages the fund.

In addition to any donations, gifts, or bequests made to the fund, any moneys transferred to the fund, any moneys deposited in the fund by WEDC, and any income or interest earned by the fund, the fund consists of moneys generated from tax revenue collected from a specific class of companies, referred to in the substitute amendment as “qualifying companies.” Under the substitute amendment, a qualifying company is identified by the company’s principal business activity code under the North American Industry Classification System (NAICS).

The substitute amendment directs the Department of Revenue to determine before May 1, 2019, the total amount of withholding taxes due and payable from qualifying companies for calendar year 2017. Then, on July 1, 2019, and on each July 1 thereafter, ending on July 1, 2033, DOR must deposit in the fund an amount equal to 95 percent of the withholding taxes due and payable from qualifying companies that exceeds the total amount calculated for calendar year 2017. DOR may not deposit more than \$50,000,000 into the fund in any fiscal year and may not deposit more than \$500,000,000 in total into the fund.

The substitute amendment also requires corporations, limited liability companies, limited partnerships, limited liability partnerships, and cooperatives to identify their NAICS codes when filing their business formation documents with the Department of Financial Institutions or, with respect to foreign entities, when filing with DFI for authorization to conduct business in this state. DFI must make these NAICS codes available to DOR upon request, which availability may be established by providing access to an electronic database.

#### ***Innovation Fund Council***

The substitute amendment requires WEDC to establish an Innovation Fund Council to advise WEDC with respect to the use of fund moneys for the financial assistance provided under the substitute amendment and perform other duties as determined by WEDC. The advisory council consists of the following seven members:

1. One member of the board of directors of WEDC who serves as chairperson of the council and is appointed by the chairperson of the board of directors of WEDC.
2. The executive director of the Investment Board or his or her designee.
3. The managing director of the Wisconsin Alumni Research Foundation, Inc., or his or her designee.

4. Four members appointed by the chairperson of the board of directors of WEDC to serve terms of not more than four years, as determined by the chairperson. At least three of those members must have significant experience working in or with a key industry cluster in Wisconsin and at least one must have significant experience in early stage investing. All of those members must have access to national networks of stakeholders in their respective industries.

***Economic development programs supported by the fund***

Under the substitute amendment, subject to certain additional limitations and requirements set forth in the substitute amendment, WEDC administers the following economic development programs using interest and income of the fund:

1. WEDC may provide financial assistance to businesses and other entities headquartered in Wisconsin for the development or deployment of new technologies, components, systems, or processes to solve or significantly improve upon local problems identified by WEDC with the advisory council's concurrence.

2. WEDC may provide financial assistance to businesses and other entities headquartered in Wisconsin for the development or deployment of a new technology, component, system, or process to solve or significantly improve upon a problem affecting a significant portion of Wisconsin or the nation identified by WEDC.

3. WEDC may provide financial assistance to early stage businesses for the purpose of facilitating rapid prototype development and pilot testing of potentially marketable new technologies, components, or products.

4. WEDC may provide financial assistance under contracts with industry cluster partnerships. WEDC may award a contract to an industry cluster partnership only if it meets certain conditions and may award only one contract per year.

The substitute amendment further authorizes WEDC to expend interest and income of the fund to partially fund any financial assistance WEDC provides under a program WEDC administers to support business accelerators in Wisconsin. The substitute amendment also authorizes WEDC to use interest and income of the fund to partially fund any financial assistance that WEDC provides to match or partially match grants made by the federal small business administration or under the federal Small Business Technology Transfer Program.

***Additional contracting authority for the Investment Board***

The substitute amendment authorizes the Investment Board to consult and provide advice and services to WEDC relating to the fund and economic development programs funded by it. The Investment Board may charge WEDC for any consultation, advice, or services the Investment Board provides.

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***The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:***

1           **SECTION 1.** 19.42 (10) (t) of the statutes is created to read:

1           19.42 (10) (t) The members of the innovation fund council established under  
2 s. 238.41.

3           **SECTION 2.** 19.42 (13) (q) of the statutes is created to read:

4           19.42 (13) (q) The members of the innovation fund council established under  
5 s. 238.41.

6           **SECTION 3.** 20.192 (1) (t) of the statutes is created to read:

7           20.192 (1) (t) *Innovation fund and programs; general program operations;*  
8 *financial assistance.* From interest and income of the innovation fund, a sum  
9 sufficient to provide financial assistance under ss. 238.42, 238.43, 238.44, and 238.45  
10 and for general program operations and administrative expenses related to the  
11 innovation fund council and the programs administered under subch. III of ch. 238.  
12 Not more than the following amounts may be expended under this paragraph for  
13 general program operations and administrative expenses under subch. III of ch. 238:

- 14           1. In fiscal year 2019-20, 5 percent of the moneys in the innovation fund.  
15           2. In fiscal year 2020-21, 5 percent of the moneys in the innovation fund.  
16           3. In fiscal year 2021-22, 2 percent of the moneys in the innovation fund.  
17           4. In fiscal year 2022-23 and in each fiscal year thereafter, 0.5 percent of the  
18 moneys in the innovation fund.

19           **SECTION 4.** 20.192 (1) (y) of the statutes is created to read:

20           20.192 (1) (y) *Innovation fund and programs; additional operational or*  
21 *administrative expenses.* From interest and income of the innovation fund, a sum  
22 sufficient equal to any amount authorized under s. 238.48 (2) for general program  
23 operations and administrative expenses.

24           **SECTION 5.** 20.536 (1) (k) of the statutes is amended to read:

1           20.536 (1) (k) *General program operations.* All moneys received from  
2 assessments made under s. 25.187 (2) and from charges made under s. 25.17 (9), and  
3 from assessments or charges made under s. 25.17 (73), for the purpose of conducting  
4 general program operations.

5           **SECTION 6.** 25.14 (1) (a) 20. of the statutes is created to read:

6           25.14 (1) (a) 20. The innovation fund established under s. 25.90.

7           **SECTION 7.** 25.17 (1) (hq) of the statutes is created to read:

8           25.17 (1) (hq) Innovation fund (s. 25.90);

9           **SECTION 8.** 25.17 (73) of the statutes is created to read:

10          25.17 (73) Have authority to consult and provide advice and services to the  
11 Wisconsin Economic Development Corporation relating to the innovation fund and  
12 the economic development programs funded by the innovation fund. The scope of any  
13 consultation, advice, or services under this subsection shall be defined by agreement  
14 between the board and the Wisconsin Economic Development Corporation and shall  
15 include the board's consultation with the Wisconsin Economic Development  
16 Corporation concerning the board's investment of the fund. This agreement shall  
17 require the cost of any consultation, advice, or services provided by the board to be  
18 paid by the Wisconsin Economic Development Corporation, and the agreement may  
19 authorize the board to make assessments against the money and property controlled  
20 by the Wisconsin Economic Development Corporation or to charge the Wisconsin  
21 Economic Development Corporation for the cost of any consultation, advice, or  
22 services provided. All moneys received by the board under this subsection shall be  
23 credited to the appropriation account under s. 20.536 (1) (k).

24          **SECTION 9.** 25.90 of the statutes is created to read:

1           **25.90 Innovation fund.** There is established a separate nonlapsible trust  
2 fund designated as the innovation fund. The fund shall consist of all moneys  
3 deposited in the fund under s. 73.17, together with all donations, gifts, or bequests  
4 made to the fund, all moneys transferred to the fund from other funds, and all income  
5 or interest earned by the fund.

6           **SECTION 10.** 73.17 of the statutes is created to read:

7           **73.17 Innovation fund. (1)** In this section, “qualifying company” means a  
8 person whose principal business activity code in the North American Industry  
9 Classification System, 2017 edition, published by the federal office of management  
10 and budget, is one of the following: 111, 112, 311, 424, 445, 481, 3121, 3364, 4244,  
11 4245, 4881, 221111, 221112, 221113, 221114, 221115, 221116, 221117, 221121,  
12 221122, 221210, 221310, 221330, 237990, 238210, 311221, 311224, 324110, 324191,  
13 325193, 325199, 325220, 325311, 325312, 325314, 325320, 325411, 325412, 325413,  
14 325414, 325998, 326122, 326199, 327331, 332410, 332420, 332911, 332913, 332999,  
15 333111, 333249, 333241, 333242, 333318, 333413, 333414, 333415, 333611, 333612,  
16 333613, 333618, 333991, 333993, 333994, 333995, 333996, 333999, 334111, 334290,  
17 334412, 334413, 334416, 334418, 334419, 334510, 334511, 334512, 334513, 334514,  
18 334515, 334516, 334517, 334519, 335110, 335121, 335122, 335129, 335210, 335220,  
19 335311, 335312, 335313, 335314, 335911, 335912, 335921, 335929, 335931, 335999,  
20 339112, 339113, 339114, 339115, 339116, 511210, 517410, 541320, 541330, 541370,  
21 541380, 541511, 541512, 541519, 541620, 541713, 541714, 541715, 611512, 621491,  
22 621493, 621511, 621512, 622110, or 811219.

23           **(2)** (a) Before May 1, 2019, the department of revenue shall determine the total  
24 amount of withholding taxes due and payable under subch. X of ch. 71 from  
25 qualifying companies for calendar year 2017.

1 (b) Subject to par. (d), on July 1, 2019, and on each July 1 thereafter, ending on  
2 July 1, 2033, the department of revenue shall deposit into the innovation fund an  
3 amount equal to 95 percent of the amount of withholding taxes due and payable  
4 under subch. X of ch. 71 from qualifying companies in the previous calendar year that  
5 exceeds the amount determined under par. (a).

6 (c) A person who is subject to withholding taxes under subch. X of ch. 71 shall  
7 indicate to the department of revenue whether it is a qualifying company for  
8 purposes of this section in the manner determined by the department. If the person  
9 has not identified the person's principal business activity code in the North American  
10 Industry Classification System, 2017 edition, published by the federal office of  
11 management and budget, for purposes of registering with the department of  
12 financial institutions, the person shall provide the code to the department of revenue  
13 in the manner determined by the department of revenue.

14 (d) The department of revenue may not deposit into the innovation fund more  
15 than \$50,000,000 in any fiscal year, and the total amount deposited may not exceed  
16 \$500,000,000.

17 **SECTION 11.** 178.0901 (3) (e) of the statutes is created to read:

18 178.0901 (3) (e) The partnership's principal business activity code in the North  
19 American Industry Classification System, 2017 edition, published by the federal  
20 office of management and budget.

21 **SECTION 12.** 178.1003 (6) of the statutes is created to read:

22 178.1003 (6) The partnership's principal business activity code in the North  
23 American Industry Classification System, 2017 edition, published by the federal  
24 office of management and budget.

25 **SECTION 13.** 179.11 (1) (e) of the statutes is created to read:

1           179.11 (1) (e) The limited partnership's principal business activity code in the  
2 North American Industry Classification System, 2017 edition, published by the  
3 federal office of management and budget.

4           **SECTION 14.** 179.82 (9) of the statutes is created to read:

5           179.82 (9) The foreign limited partnership's principal business activity code in  
6 the North American Industry Classification System, 2017 edition, published by the  
7 federal office of management and budget.

8           **SECTION 15.** 179.85 of the statutes is amended to read:

9           **179.85 Amendments.** If any statement in the application for registration of  
10 a foreign limited partnership was false when made or any arrangements or other  
11 facts described have changed, making the application inaccurate in any respect, the  
12 foreign limited partnership shall promptly file with the department, together with  
13 a filing fee of \$15, a certificate, signed and sworn to by a general partner, correcting  
14 the statement. This section does not apply with respect to changes in the foreign  
15 limited partnership's principal business activity and the codes specified in s. 179.82  
16 (9).

17           **SECTION 16.** 180.0202 (1) (j) of the statutes is created to read:

18           180.0202 (1) (j) The corporation's principal business activity code in the North  
19 American Industry Classification System, 2017 edition, published by the federal  
20 office of management and budget.

21           **SECTION 17.** 180.1503 (1) (k) of the statutes is created to read:

22           180.1503 (1) (k) The foreign corporation's principal business activity code in  
23 the North American Industry Classification System, 2017 edition, published by the  
24 federal office of management and budget.

25           **SECTION 18.** 180.1504 (2) of the statutes is amended to read:

1           180.1504 **(2)** The requirements of s. 180.1503 (1) (a) to (h) and (k) and (2) for  
2 obtaining an original certificate of authority apply to obtaining an amended  
3 certificate under this section except that a foreign corporation is not required to  
4 deliver a certificate of status with an application solely to change a fictitious name.

5           **SECTION 19.** 181.0202 (1) (h) of the statutes is created to read:

6           181.0202 **(1)** (h) If applicable, the corporation's principal business activity code  
7 in the North American Industry Classification System, 2017 edition, published by  
8 the federal office of management and budget.

9           **SECTION 20.** 181.1503 (1) (i) of the statutes is created to read:

10          181.1503 **(1)** (i) If applicable, the foreign corporation's principal business  
11 activity code in the North American Industry Classification System, 2017 edition,  
12 published by the federal office of management and budget.

13          **SECTION 21.** 182.01 (7) of the statutes is created to read:

14          182.01 **(7)** TRANSFER OF BUSINESS CODE INFORMATION. Upon request by the  
15 department of revenue, the department of financial institutions shall make available  
16 to the department of revenue, which availability may be established by providing  
17 access to an electronic database, the business activity codes under ss. 178.0901 (3)  
18 (e), 178.1003 (6), 179.11 (1) (e), 179.82 (9), 180.0202 (1) (j), 180.1503 (1) (k), 181.0202  
19 (1) (h), 181.1503 (1) (i), 183.0202 (7), 183.1004 (8), 185.05 (1) (n), and 193.215 (2) (a)  
20 5. identified by business entities in their filings with the department of financial  
21 institutions.

22          **SECTION 22.** 183.0202 (7) of the statutes is created to read:

23          183.0202 **(7)** The limited liability company's principal business activity code  
24 in the North American Industry Classification System, 2017 edition, published by  
25 the federal office of management and budget.

1           **SECTION 23.** 183.1004 (8) of the statutes is created to read:

2           183.1004 (8) The foreign limited liability company's principal business activity  
3 code in the North American Industry Classification System, 2017 edition, published  
4 by the federal office of management and budget.

5           **SECTION 24.** 185.05 (1) (n) of the statutes is created to read:

6           185.05 (1) (n) If applicable, the cooperative's principal business activity code  
7 in the North American Industry Classification System, 2017 edition, published by  
8 the federal office of management and budget.

9           **SECTION 25.** 193.215 (2) (a) 5. of the statutes is created to read:

10           193.215 (2) (a) 5. If applicable, the cooperative's principal business activity  
11 code in the North American Industry Classification System, 2017 edition, published  
12 by the federal office of management and budget.

13           **SECTION 26.** 238.02 (4) of the statutes is amended to read:

14           238.02 (4) All powers and duties assigned to the corporation under this chapter  
15 shall be exercised or carried out by the board, unless the board delegates the power  
16 or duty to an employee of the corporation or a committee established by the board or  
17 the innovation fund council.

18           **SECTION 27.** 238.04 (7) of the statutes is amended to read:

19           238.04 (7) Execute contracts and other instruments required for the operation  
20 of the corporation, including the agreement with the investment board under s. 25.17  
21 (73).

22           **SECTION 28.** Subchapter III of chapter 238 [precedes 238.40] of the statutes is  
23 created to read:

24

## **CHAPTER 238**

## 1 SUBCHAPTER III

## 2 INNOVATION

3 **238.40 Definitions.** In this subchapter:

4 (1) "Council" means the innovation fund council established under s. 238.41.

5 (1m) "Eligible regulatory applicant" means any of the following:

6 (a) An entity that has received financial assistance under s. 238.42 or 238.43.

7 (b) Any business, institution of higher education, technical college, or public  
8 utility that is a member of an industry cluster partnership.9 (c) Any business, institution of higher education, technical college, or public  
10 utility that participates in a business accelerator, business incubator, or technology  
11 pilot program facilitated by an industry cluster partnership.

12 (2) "Fund" means the innovation fund.

13 (3) "Industry cluster partnership" means a nonprofit organization, including  
14 its subsidiaries and affiliates, whose primary purpose, or whose subsidiary's or  
15 affiliate's primary purpose, is to assist in developing and supporting a regional  
16 concentration of industry-specific private sector businesses in this state and to foster  
17 industry-specific research and development, worker skills training, and market  
18 development at institutions of higher education in this state, including technical  
19 colleges, for the purpose of transferring to the private sector, and commercializing,  
20 technology developed at those institutions that is related to relevant industries.21 **238.41 Innovation fund council. (1) ESTABLISHMENT.** The corporation shall  
22 establish an advisory council to be called the "innovation fund council." Except as  
23 otherwise provided under this section or in policies and procedures adopted by the  
24 corporation to govern the council's business, the council shall be subject to s. 15.09.  
25 The council shall advise the corporation concerning the use of fund moneys and the

1 economic development programs administered under this subchapter and shall  
2 perform other duties, as determined by the corporation.

3 **(2) MEMBERSHIP.** The council shall consist of the following members:

4 (a) One member of the board who shall serve as chairperson of the council and  
5 shall be appointed by the chairperson of the board.

6 (b) The executive director of the investment board or his or her designee.

7 (c) The managing director of the Wisconsin Alumni Research Foundation, Inc.,  
8 or his or her designee.

9 (d) Four members appointed by the chairperson of the board to serve terms of  
10 not more than 4 years, as determined by the chairperson. No member appointed  
11 under this paragraph may serve more than 2 consecutive terms. At least 3 of the  
12 members appointed under this paragraph shall have significant experience working  
13 in or with a key industry cluster in this state. At least one of the members appointed  
14 under this paragraph shall have significant experience in early stage investing. All  
15 of the members appointed under this paragraph shall have, at the time of  
16 appointment, demonstrable access to national networks of stakeholders in their  
17 respective industries.

18 **238.42 Innovation through competition. (1) LOCAL CHALLENGES.** (a) The  
19 corporation, in collaboration with the council, may identify local problems affecting  
20 one or more regions within the state that, in the corporation's opinion, are susceptible  
21 to being solved over time through private sector innovation and the development and  
22 use of new technologies, components, systems, or processes.

23 (b) The corporation may solicit applications for financial assistance from and  
24 provide financial assistance to businesses headquartered in this state, or coalitions  
25 of such businesses or of such businesses and institutions of higher education, for the

1 development or deployment of a new technology, component, system, or process to  
2 solve or significantly improve upon a local problem identified under par. (a).

3 (c) The financial assistance under par. (b) shall be provided from the  
4 appropriation under s. 20.192 (1) (t). In providing the financial assistance, the  
5 corporation shall give priority to applicants that, in the corporation's opinion,  
6 present the most compelling potential solution to the problem and the most credible  
7 business case for eventually marketing a solution that solves or significantly  
8 improves upon the problem and that demonstrates a potential to increase jobs in this  
9 state or reduce costs to the state or a political subdivision of the state.

10 **(2) GRAND CHALLENGES.** (a) The corporation may identify problems affecting  
11 a significant portion of the state or nation that, in the corporation's opinion, are  
12 susceptible to being solved over time through private sector innovation and the  
13 development and use of new technologies, components, systems, or processes.

14 (b) The corporation may solicit applications for financial assistance from and  
15 provide financial assistance to businesses headquartered in this state, or coalitions  
16 of such businesses or of such businesses and institutions of higher education, for the  
17 development or deployment of a new technology, component, system, or process to  
18 solve or significantly improve upon a problem identified under par. (a).

19 (c) The financial assistance under par. (b) shall be provided from the  
20 appropriation under s. 20.192 (1) (t). In providing the financial assistance, the  
21 corporation shall give priority to applicants that, in the corporation's opinion,  
22 present the most compelling potential solution to the problem and the most credible  
23 business case for eventually marketing a solution that solves or significantly  
24 improves upon the problem and that demonstrates a potential to increase jobs in this  
25 state or reduce costs to the state or a political subdivision of the state.

1           **(3) MAXIMIZING THE IMPACT OF FINANCIAL ASSISTANCE.** Using available and  
2 feasible mechanisms, such as matching funds, the corporation shall undertake to  
3 maximize the impact of financial assistance provided under this section with the  
4 understanding that financial assistance provided under this section might not  
5 immediately result in the development of a marketable technology, component,  
6 system, or process but that the financial assistance is an important contribution to  
7 future innovation and manufacturing growth in this state and an important method  
8 of fostering a culture of private sector collaboration and innovation.

9           **238.43 New product research and development. (1) DEFINITION.** In this  
10 section, “early stage business” means a business that satisfies s. 238.15 (1) (a) to (g),  
11 (k), (kn), and (L), and for which all of the following are true at the time the business  
12 receives financial assistance under this section, as determined by the corporation:

13           (a) The business has less than 100 employees.

14           (b) The business has been in operation in this state for not more than 10  
15 consecutive years.

16           (c) The business has not received aggregate private equity investment in cash  
17 of more than \$10,000,000.

18           **(2) FINANCIAL ASSISTANCE.** (a) From the appropriation under s. 20.192 (1) (t),  
19 the corporation may provide financial assistance to early stage businesses for the  
20 purpose of facilitating rapid prototype development and pilot testing of potentially  
21 marketable new technologies, components, or products.

22           (b) The corporation may provide financial assistance to an early stage business  
23 under this section only if the early stage business is a member of an industry cluster  
24 partnership and agrees to consult with the industry cluster partnership concerning  
25 the early stage business’s use of the financial assistance provided.

1           **(3) MAXIMIZING THE IMPACT OF FINANCIAL ASSISTANCE.** Using available and  
2 feasible mechanisms, such as matching funds, the corporation shall undertake to  
3 maximize the impact of financial assistance provided under this section with the  
4 understanding that financial assistance provided under this section might not  
5 immediately result in the development of a marketable technology, component, or  
6 product but that the financial assistance is an important contribution to future  
7 innovation and manufacturing and technology growth in this state and an important  
8 method of fostering a culture of private sector collaboration and innovation.

9           **238.44 Capacity building through industry cluster partnerships. (1)**  
10 **CONTRACT APPLICATION.** Any industry cluster partnership in this state may apply for  
11 a contract under this section. In addition to any other information the corporation  
12 requires, the application shall include a business plan for the applicant that sets  
13 forth measurable economic development and business-related goals and the specific  
14 programming the applicant intends to implement to achieve those goals. The  
15 business plan shall demonstrate to the corporation's satisfaction how the applicant  
16 plans to be without need of corporation assistance within 10 years after first  
17 receiving financial assistance under a contract under this section.

18           **(2) FINANCIAL ASSISTANCE.** From the appropriation under s. 20.192 (1) (t), the  
19 corporation may provide financial assistance to industry cluster partnerships  
20 subject to contracts under this section. The corporation may not enter into more than  
21 one contract per industry under this section each year.

22           **(3) AWARD OF CONTRACT; TERMINATION.** (a) Subject to pars. (b) to (f), the  
23 corporation may award a contract under this section only to an industry cluster  
24 partnership that submits an application under sub. (1) and for which the corporation  
25 has evaluated all of the following:

1           1. Evidence that the industry cluster partnership will strongly support the  
2 further development of existing regional concentrations of industry-specific  
3 businesses in this state.

4           2. Evidence that the industry cluster partnership has raised funding or funding  
5 commitments from sources other than the corporation and the state that equal at  
6 least 10 percent of the annual amount of financial assistance the industry cluster  
7 partnership is requesting from the corporation, as determined by the corporation.

8           (b) The corporation may not contract under this section with an industry  
9 cluster partnership unless the industry cluster partnership is headquartered in this  
10 state.

11           (c) The corporation may not contract under this section with an industry cluster  
12 partnership unless the industry cluster partnership is governed by a board of  
13 directors with members from the public and private sectors who represent the  
14 businesses within the applicable industry, including businesses in the industry  
15 cluster partnership, and who represent the interests necessary to ensure a  
16 collaborative, strategic approach to supporting economic development, job growth,  
17 and the development of marketable products and services in the applicable industry.

18           (d) The corporation may not contract under this section with more than one  
19 industry cluster partnership per industry at one time, unless every other industry  
20 cluster partnership in that industry with which the corporation is under contract is  
21 materially underperforming and the corporation determines that the public interest  
22 requires contracting with another industry cluster partnership within that industry.

23           (e) If the corporation has more than one application pending under this section  
24 from industry cluster partnerships in the same industry, the corporation shall  
25 contract with the industry cluster partnership that the corporation determines is

1 likely to have the greatest overall impact on economic development in this state  
2 within the applicable industry. In making that determination, and in making all  
3 competitive funding decisions under this section, the corporation shall give  
4 preference to the industry cluster partnership that best satisfies all of the following  
5 conditions:

6 1. Has demonstrated strength in academic and industry relationships.

7 2. Has strong leadership from the applicable industry on its board of directors.

8 3. Was previously subject to a contract under this subsection, provided the  
9 industry cluster partnership met the goals outlined in the business plan submitted  
10 under sub. (1) and otherwise completed the contract to the corporation's satisfaction.

11 (f) Each contract under this section shall provide, in addition to other bases for  
12 contract termination, that the corporation may terminate the contract if the industry  
13 cluster partnership fails to make satisfactory progress, as determined by the  
14 corporation, toward the goals outlined in the industry cluster partnership's business  
15 plan. Before terminating a contract for lack of such satisfactory progress, the  
16 corporation shall provide the industry cluster partnership notice of the pending  
17 termination and an opportunity to cure.

18 **238.45 Accelerators and small business innovation.** The corporation may  
19 expend moneys from the appropriation under s. 20.192 (1) (t) to partially fund any  
20 of the following:

21 (1) Any financial assistance that the corporation provides under a program the  
22 corporation administers to support business accelerators in this state.

23 (2) Any financial assistance that the corporation provides to match or partially  
24 match grants made by the federal small business administration or under the federal  
25 Small Business Technology Transfer Program.

1           **238.46 Prioritization of funds.** If the corporation determines that the  
2 amounts appropriated under s. 20.192 (1) (t) are not sufficient to fund all program  
3 activities under ss. 238.42 to 238.45 to the extent the corporation believes is  
4 necessary to accomplish its strategic economic development objectives under this  
5 subchapter, the corporation shall give priority to the program activities under ss.  
6 238.43 to 238.45.

7           **238.47 Regulatory fast track.** If an eligible regulatory applicant requires a  
8 permit or other approval of a state agency for activities related to the potential  
9 development and deployment of a new technology, component, product, system, or  
10 process, including field testing potentially marketable new technologies,  
11 implementing new technologies or products in a pilot project, or completing projects  
12 consistent with the economic development goals of the applicable industry cluster  
13 partnership, the state agency shall provide priority, expedited service to the eligible  
14 regulatory applicant to ensure that the agency's determination concerning the  
15 permit or approval is made as quickly as practicable and, in any event, no later than  
16 90 days after a complete application or request for the permit or approval is received  
17 by the agency. The state agency shall appoint a single point of contact within the  
18 agency to receive communications from the applicant and manage the approval  
19 process. To the maximum extent possible under the state agency's authority with  
20 respect to the required approval, the agency shall seek to facilitate the rapid  
21 approval and successful execution of the requested activities.

22           **238.48 Operational or administrative costs.** (1) The corporation shall  
23 cover its initial program operations and administrative expenses under this  
24 subchapter from the appropriation under s. 20.192 (1) (r).

